

# Economic Outlook

Presented to  
International Conference of Shopping Centers

Arun Raha  
Chief Economist

June 21, 2010  
Seattle, Washington



WASHINGTON STATE  
ECONOMIC AND REVENUE FORECAST COUNCIL

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## Summary

- There is evidence that the economic recovery stumbled in May – we are now predicting near-term weakness, but a continuing recovery
- The downside risk to the forecast is higher than a month ago
  - Weak jobs report in May
  - Weak retail sales report in May
  - Fears of European contagion
- Other risks are the same as before
  - Downside: weak construction; community banks; tight credit for small business
  - Upside: exports; aerospace; software

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Slide 1

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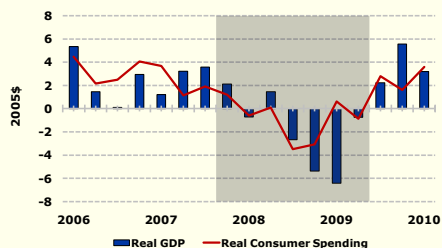
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## We have had 3 consecutive quarters of GDP and consumer spending growth

Percent growth, SAAR



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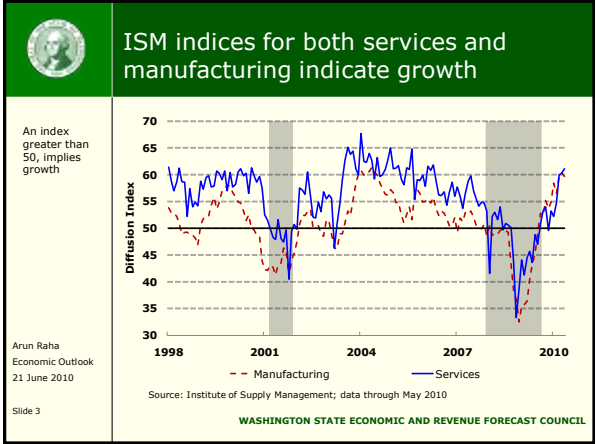
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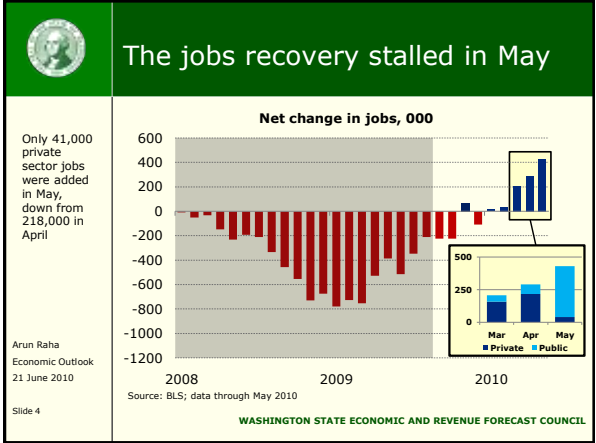
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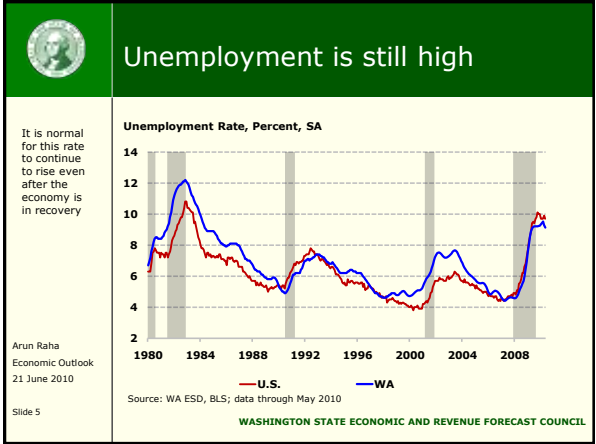
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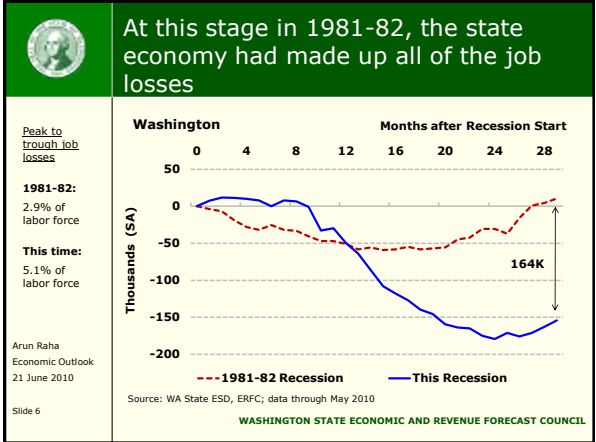
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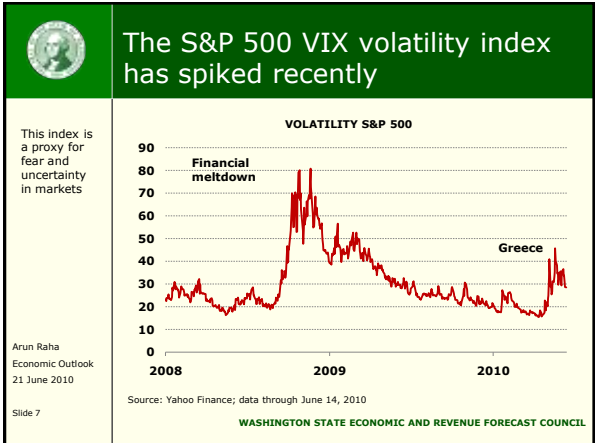
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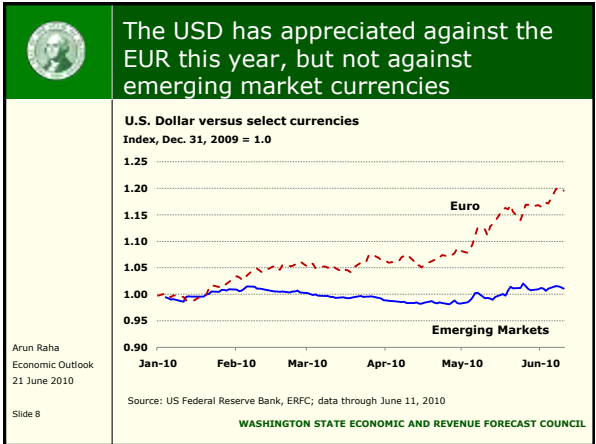
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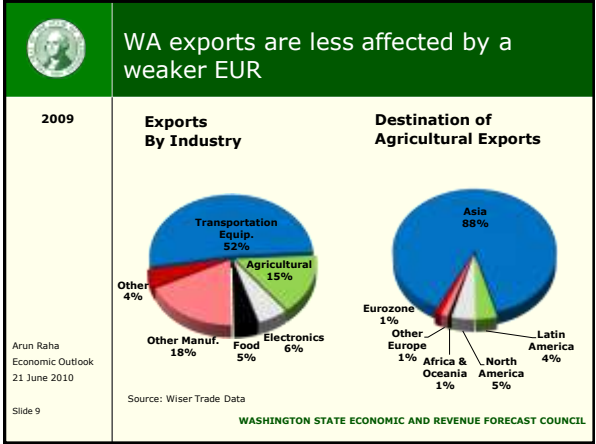
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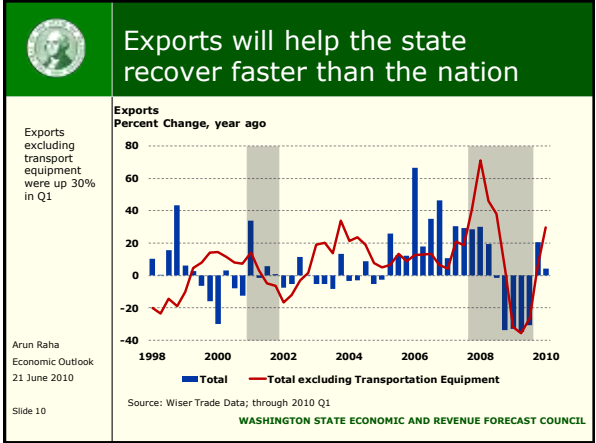
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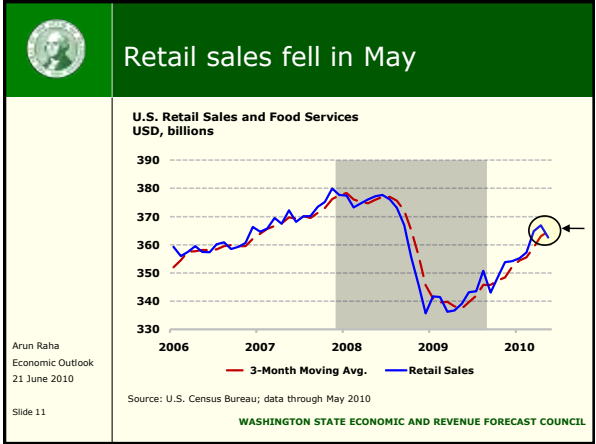
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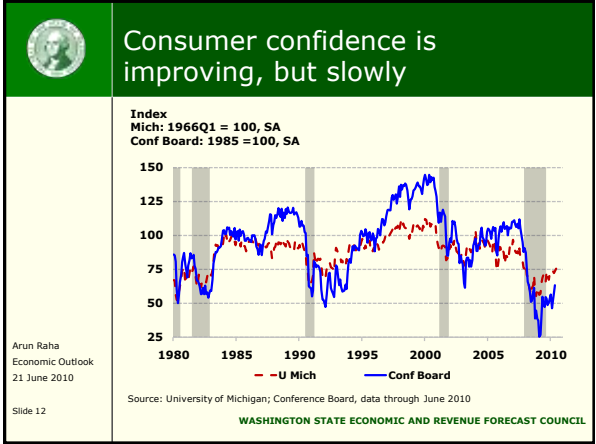
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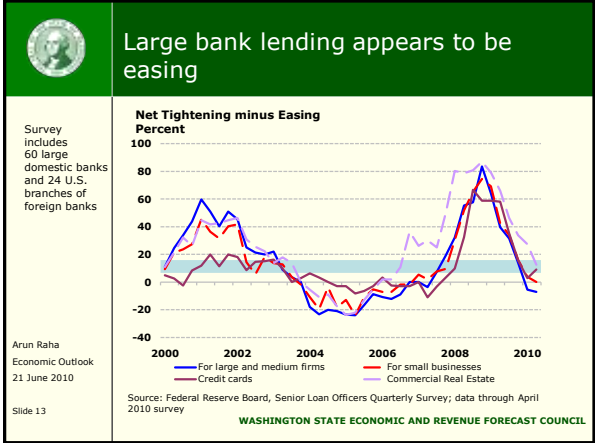
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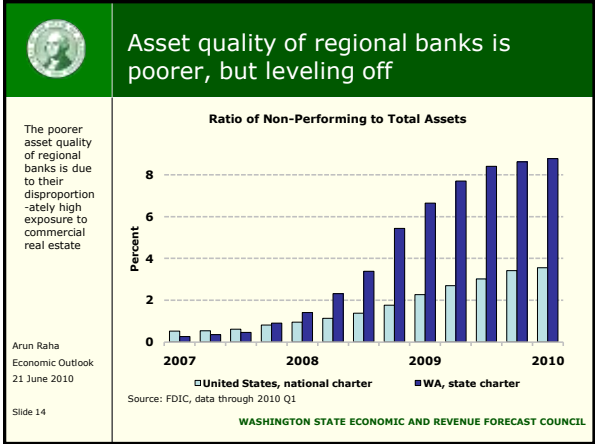
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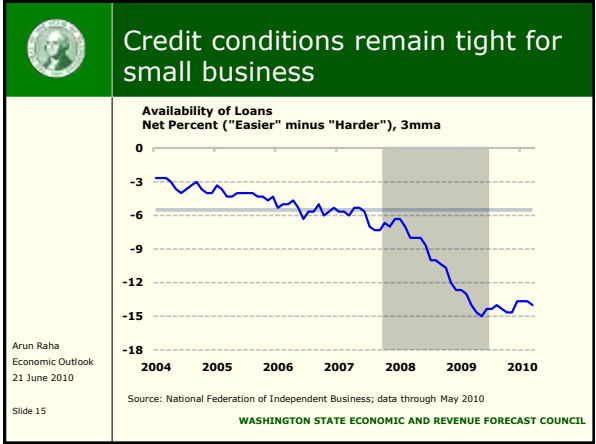
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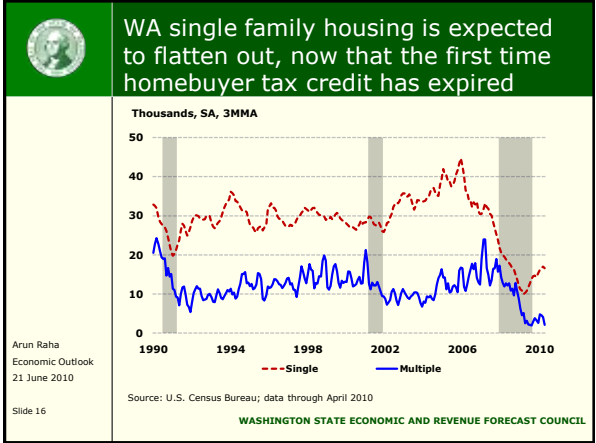
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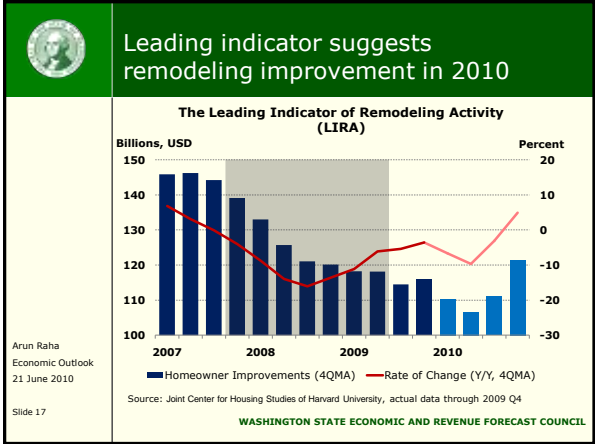
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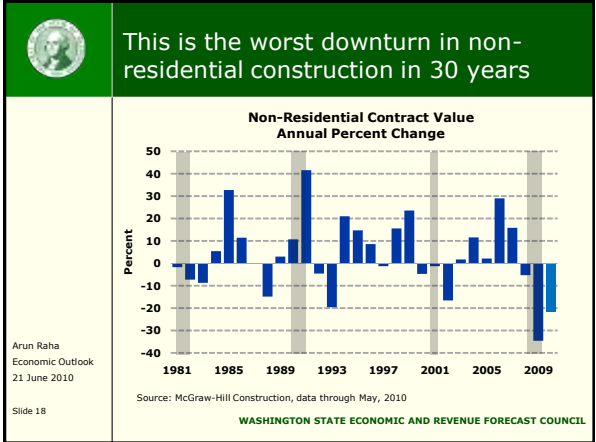
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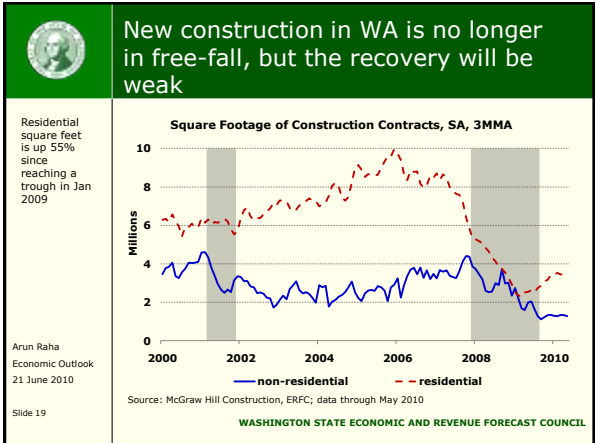
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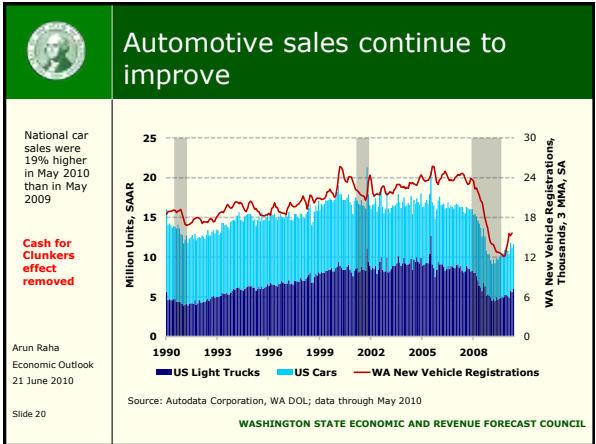
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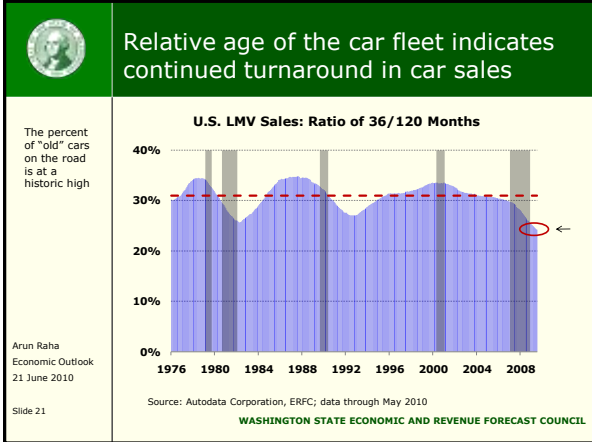
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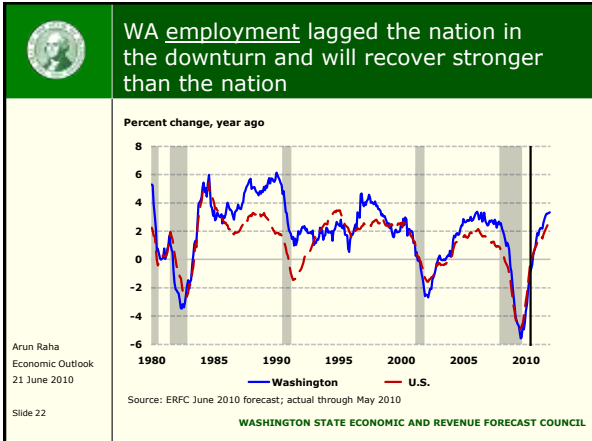
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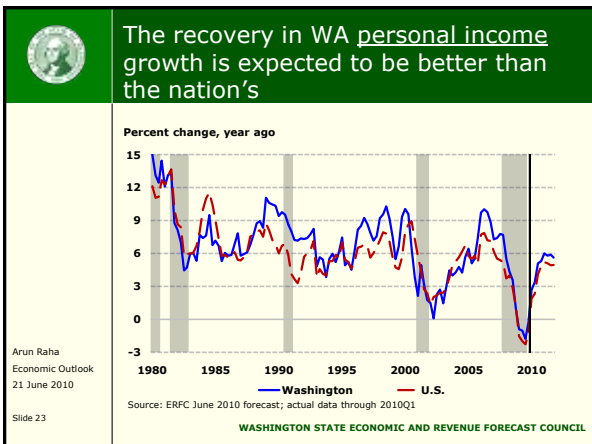
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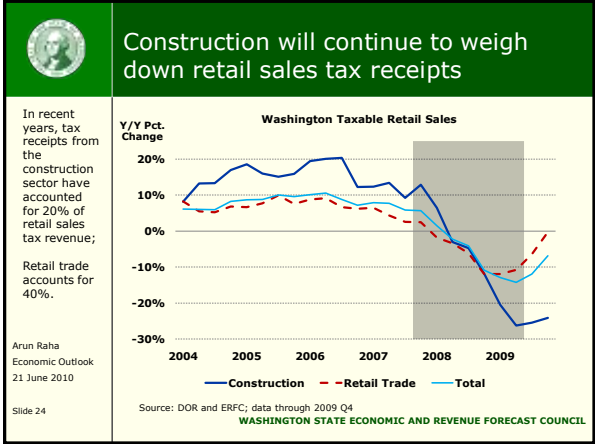
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## Conclusion

Pluses

- Recovery in progress
- Evidence of pent up demand
- Job growth has returned
- Car sales are improving
- Large banks able to extend credit

Minuses

- Weak May
- Weak consumer confidence
- Credit still tight for small business
- Slow recovery in construction
- Possibility of European contagion

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## Questions



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Olympia WA 98504-0912

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360-570-6100

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